

NEWS RELEASE

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Abraham Lincoln Memorial Hospital Pays \$1.34 Million in Civil Settlement

Springfield, Illinois - Abraham Lincoln Memorial Hospital in Lincoln, Illinois, has paid \$1.34 million to the United States under the terms of a False Claims Act civil settlement, announced today by Rodger A. Heaton, U.S. Attorney for the Central District of Illinois.

The settlement stems from an investigation of the hospital's billing for treatment of Medicare beneficiaries who were diagnosed with pneumonia, sepsis and renal failure between 2000 and 2002. The investigation revealed that the hospital, relying on the advice of an outside consultant, submitted false claims to Medicare using specific diagnosis codes for gram negative pneumonia, septicemia and acute renal failure that were not supported by the patients' medical records. This caused Abraham Lincoln Memorial Hospital to receive a significantly higher reimbursement from Medicare than it would have otherwise received.

The investigation did not focus on or reveal that there was any issue regarding the provision of quality of care to hospital patients. The hospital was cooperative with the government throughout the investigation, and continues to cooperate with the government's ongoing investigation.

As part of the civil settlement agreement, Abraham Lincoln Memorial Hospital has entered into a three-year corporate integrity agreement with the U.S. Department of Health and Human Services. This agreement requires that the hospital maintain its compliance program and provide certain information to HHS about that compliance.

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U.S. Attorney Heaton said, “This is the fourth settlement in three years arising from a broad False Claims Act investigation by the U.S. Attorney’s Office. These settlements, which have recovered nearly \$5 million in overpayments and penalties, demonstrate the government’s strong commitment to protecting the Medicare system. We will continue to scrutinize medical providers' billing to ensure compliance with medical coding guidelines and to protect every taxpayer’s investment in the Medicare system.”

Mr. Woody Hester, Chief Executive Officer of Abraham Lincoln Memorial Hospital, stated, "We are pleased to be able to resolve this matter. All of the cases reviewed by the government involved billings that were based on coding and documentation advice we received from an outside consultant. While our settlement involves no admissions or findings of wrongdoing by the hospital or its staff, to the extent that our reliance on that consultant caused us to submit claims that were not supported by the medical records and the applicable coding rules, we accept responsibility for this deviation from our own high standards and commitment to excellence in compliance with Medicare billing."

The investigation and negotiations with Abraham Lincoln Memorial Hospital were conducted by the U.S. Attorney’s Office for the Central District of Illinois, the Office of Inspector General of the U.S. Department of Health and Human Services, and the Illinois State Police.

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